

**DEPARTMENT OF SOCIAL AND HEALTH SERVICES
MEDICAID PURCHASING ADMINISTRATION
Olympia, Washington**

To: Outpatient Hospitals
Managed Care Organizations

Memo # : 10-84
Issued: December 30, 2010

From: Doug Porter, Administrator and
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Authority/Medicaid Purchasing
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For information, contact:
1-800-562-3022 or go to:
<http://hrsa.dshs.wa.gov/contact/default.aspx>

Subject: Outpatient Hospital Services: Update Fee Schedule and Department Approved Centers of Excellence, Implement Coverage Changes, Revise the Revenue Code Table, Highlight the Change in the Effective Date for the Outpatient Prospective Payment System (OPPS) Budget Target Adjuster Revisions, and Provide Budget Related Changes Information

Effective for dates of service on and after January 1, 2011, the Department of Social and Health Services (the Department) will:

- Incorporate the Year 2011 Current Procedural Terminology (CPT®) and Healthcare Common Procedural Coding System (HCPCS) updates into the Outpatient Hospital and Outpatient Prospective Payment System (OPPS) Fee Schedules;
- Implement coverage and authorization policy changes;
- Update the Department-Approved Centers of Excellence (COE) with additional information regarding Hysteroscopic Sterilization; and
- Provide information for budget related changes related to optional healthcare services.

Fee Schedule Updates

Effective for dates of service on and after January 1, 2011, the Department will incorporate the Year 2011 CPT and HCPCS code updates into the Outpatient Hospital and OPPS Fee Schedules.

The Department generally follows Medicare policy. When the Department policy differs from Medicare policy, the variance is identified in Department/MPA regulations, numbered memos, and billing instructions, as appropriate. The Department/MPA fee schedules reflect the Department's final determination regarding rates and coverage, in accordance with governing law. Changes implemented by the federal Centers for Medicare and Medicaid Services (CMS) may result in a change of coverage, payment method, or prior authorization by the Department.

Updates to the Outpatient Prospective Payment System (OPPS) and Outpatient Hospital Fee Schedule will be available online at: <http://hrsa.dshs.wa.gov/RBRVS/#O>

Note: Due to its licensing agreement with the American Medical Association (AMA) regarding the use of CPT codes and descriptions, the Department publishes only the official brief descriptions for all codes. Please refer to your current CPT book for full descriptions.

Bill the Department your usual and customary charge.

Coverage Changes

Effective for dates of service on and after January 1, 2011, the Department will change the following procedure codes **from noncovered to covered**. Procedures with a value in the Alternate Payment Method column may be paid using that method if an APC payment is not applicable. Where no method is listed, the Ratio of Cost-to-Charges (RCC) method may be used if APC payment is not applicable.

Prior Authorization Requirement	Procedure Code	Brief Description	Coverage Indicator	Max Units	Alternate Payment Method
EPA	58565	Hysteroscopy sterilization*	1	1	
PA	77338	Design mlc device for imrt	1	1	
	C9273	Sipuleucel-T, per infusion	1	UR	
	G0431	Drug screen multip class	1	1	Max Fee
	G0434	Drug screen multi drug class	1	1	Max Fee

*See *Physician-Related Billing Instructions* for related policy.

Effective for dates of service on and after January 1, 2011, the Department will change the following procedure codes **from covered to noncovered**:

Procedure Code	Brief Description
80101	Drug screen single
C9367	Endoform Dermal Template
C9800	Dermal filler inj px/suppl
G9141	Influenza A H1N1,admin w cou

Authorization Requirement Changes

Effective for dates of service on and after January 1, 2011, the Department will require prior authorization (PA) for the following Current Procedural Terminology (CPT®) codes:

Procedure Code	Brief Description	Prior Authorization
21045	Extensive jaw surgery	PA
21198	Reconstr lwr jaw segment	PA
31830	Revise windpipe scar	PA
40720	Repair cleft lip/nasal	PA
40845	Reconstruction of mouth	PA
42180	Repair palate	PA
42182	Repair palate	PA
42235	Repair palate	PA
49327	Lap ins device for rt	EPA
58565	Hysteroscopy sterilization	EPA
63655	Implant neuroelectrodes	PA
64611	Chemodenerv saliv glands	PA
77338	Design mlc device for imrt	PA
C9254	Injection, lacosamide	PA
J0597	C-1 esterase, berinert	PA
J0638	Canakinumab injection	PA
J1290	Ecallantide injection	PA
J2358	Olanzapine long-acting inj	PA
J2426	Paliperidone palmitate inj	PA
J3262	Tocilizumab injection	PA
J3357	Ustekinumab injection	PA

*See *Physician-Related Services Billing Instructions* for details.

Services Performed in Department-Approved Centers of Excellence (COE)

To view the Department Approved Centers of Excellence lists for Sleep Study, Hysteroscopic Sterilization, and Transplant Centers of Excellence visit the Department online at:

<http://hrsa.dshs.wa.gov/HospitalPynt/>

Note: For information about becoming accredited as a Center of Excellence for Hysteroscopic Sterilization, see the Department/MPA *Physician-Related Services Billing Instructions* at:
<http://hrsa.dshs.wa.gov/download/BI.html#p>.

OPPS Budget Target Adjuster Revision

The Department expects to implement:

- The revised budget target adjuster (BTA); and
- Hospital specific Outpatient Prospective Payment System (OPPS) rate changes February 1, 2011.

The Department anticipates issuing rate change notices in mid January 2011.

Budget Related Changes

Effective January 1, 2011, Medicaid will eliminate coverage of many optional health care services as a consequence of that directive, which is authorized under RCW 43.88.110(7) and imposes a reduction of nearly 6.3 percent in the Medicaid budget for the current fiscal year. For budget related changes specific to a particular program, refer to # memo [10-73](#).

Note: Please refer to the Department's website for details on these benefit changes. Make sure you check this website often as the Department may make changes to this information: <http://hrsa.dshs.wa.gov/News/Budget.htm>.

Effective for dates of service on and after January 1, 2011, the Department is using the following new codes in the authorization column of the fee schedule to indicate the Department's changes in program coverage and limitations. These are not authorization codes and do not need to be placed on a claim.

Authorization Code	Description
CO	Covered only in benefit packages for children 20 years of age and younger and clients served by the Division of Developmental Disabilities.
CO/ME	Covered only in benefit packages for children 20 years of age and younger and clients served by the Division of Developmental Disabilities unless the client is eligible for coverage with the emergency oral healthcare benefit package.

How Can I Get the Department/MPA Provider Documents?

To download and print the Department/MPA provider numbered memos and billing instructions, go to the Department/MPA website at: <http://hrsa.dshs.wa.gov> (click the ***Billing Instructions and Numbered Memorandum*** link).